

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6604

BILL NUMBER: HB 1932

NOTE PREPARED: Dec 10, 2002

BILL AMENDED:

SUBJECT: Great Lakes Protection Fund.

FIRST AUTHOR: Rep. Ayres

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: ☒ GENERAL
☒ DEDICATED
FEDERAL

IMPACT: State

STATE IMPACT	FY 2003	FY 2004	FY 2005
State Revenues			
State Expenditures		5,000,000	5,000,000
Net Increase (Decrease)		(5,000,000)	(5,000,000)

Summary of Legislation: The bill appropriates to the Great Lakes Protection Fund \$5,000,000 for the 2003-2004 state fiscal year and \$5,000,000 for the 2004-2005 state fiscal year to fund pledges made by the state. Prohibits the Budget Agency from allotting money to the Great Lakes Protection fund until the state becomes a party to the Great Lakes Protection Fund Agreement of 1989.

Effective Date: July 1, 2003.

Explanation of State Expenditures: This bill appropriates \$5 M for FY 2004 and \$5 M for FY 2005 from the General Fund to the Great Lakes Protection Fund. Money appropriated shall be used to fund pledges made by the state to the Great Lakes Protection Fund. The Budget Agency may not appropriate money to the Fund until the state becomes a party to the Great Lakes Protection Fund Agreement of 1989.

Background Information: The Great Lakes Protection Fund, a private, nonprofit corporation, was formed in 1989 by the governors of the Great Lakes states. The purpose of the Fund is to improve the health of the Great Lakes ecosystem.

The Fund supports grant awards, loans, or other investment mechanisms for projects that promote the health of the Great Lakes ecosystems. The Fund's Board of Directors meets quarterly and governs the Fund's operation. The Fund also supports a staff that performs the day-to-day operations.

The Fund was developed as a result of over 20 years of cooperative efforts among the states and Canada to address the lakes' ecological problems. Major initiatives include the 1972 Great Lakes Water Quality Agreement between the United States and Canada; the 1985 Great Lakes Charter, which regulates diversions of Great Lakes water; and the 1986 Toxic Substances Control Agreement, which controls toxic pollutants on a regional basis.

The Great Lakes states have pledged \$97 M to create a permanent endowment. The Fund has made 192 grants representing over \$40.6 M in regional projects to improve the health of the Great Lakes ecosystem.

Explanation of State Revenues: *Background:* The Fund returns portions of its funding to member states and sets up an endowment for future revenues. Each year one-third of the Fund's earnings are paid to the member state proportionately to their share of the endowment. As of July 2002, the Fund has returned over \$31 M to its member states to support local activities that address the health of the Great Lakes' ecosystem. Current member states include Illinois, Michigan, Minnesota, New York, Ohio, Pennsylvania, and Wisconsin.

Explanation of Local Expenditures:

Explanation of Local Revenues: Local entities could be eligible to receive grants from the Great Lakes Protection Fund.

State Agencies Affected: Department of Natural Resources.

Local Agencies Affected: Local agencies proposing projects to improve the health of the Great Lakes.

Information Sources: Great Lakes Protection Fund website, <http://www.glpf.org/>.

Fiscal Analyst: Valerie Ruda, 317-232-9867